NUEXCO

EXECUTIVE SUMMARY
REPORT 242
(All data as of September 30, 1988)

Exchange Value $13.75, down $0.40

The **Exchange Value** is **$13.75** per pound U_3O_8, down $0.40 since last month. The **US Premium** (relative to the Exchange Value) is unchanged at **zero**.

UF_6 Value $40.75, down $0.25

The **UF_6 Value** is **$40.75** per kg U as UF_6, down $0.25 since last month. The **US Premium** (relative to the UF_6 Value) remains at **zero**.

Transactions

Nine recent natural uranium sales are reported, involving approximately **2.4 million** pounds equivalent U_3O_8. Six of these sales involved spot or near-term delivery and met the conditions for inclusion in the Transaction Value. Active spot and near-term **uranium supply** amounts to **5.3 million** pounds U_3O_8 equivalent, a decrease of 2 million pounds since last month. Active spot and near-term **uranium demand** totals **1.0 million** pounds, down 600,000 pounds since last month. The spot and near-term **supply-demand ratio** increased to **6.0** to **1**.

Transaction Value $14.50, down $0.50

The **Transaction Value** is **$14.50** per pound U_3O_8, **down $0.50** since last month. The calculation includes 17 transactions involving a total of nearly 2.7 million pounds U_3O_8 and equivalent UF_6 and covers a period of 3 months.

Loan Rate 3.5%, unchanged

The **Loan Rate** is **3.5 percent** per annum, unchanged. No loan transactions are reported.

Conversion Value $1.95, unchanged

The **Conversion Value** is **$1.95** per pound U as UF_6, unchanged since last month. One secondary market transaction for conversion services took place this month. Active demand totals 2.5 million pounds U as UF_6.

SWU Value $65, unchanged

The **SWU Value** at 0.3% tails assay remains at **$65** per SWU. Three secondary market SWU transactions and one enriched uranium product transaction are reported.

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Recent Developments

Increased opposition to nuclear energy in the Federal Republic of Germany causes delays in its nuclear program.

Finland's industrial sector calls for additional nuclear power plants in the 1990s.

By expressing its "desire" and "objective" to sign the NPT, the Republic of South Africa averted suspension from the IAEA for an additional year.

Analysis and Commentary

Although the US uranium production industry will never return to its former dominance, it is expected to stabilize at approximately 40 percent of US consumption, or about 6,500 MTU annually.

Future price levels and sales opportunities for Canadian-origin uranium in the USA, which imports approximately one-third of Canada's uranium production, will be significantly directed by the outcome of ongoing political and legal proceedings.

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